

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT**

PROPOSED RULE: 01-96
STATE AGENCY: IDEM

DATE PREPARED: Dec 9, 2002
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Digest of Proposed Rule: This rulemaking is being initiated due to the new federal Phase II program regulations for storm water discharges. The National Pollutant Discharge Elimination System (NPDES) storm water Phase II final rule was published on December 8, 1999. It requires NPDES permit coverage, mostly under general permits, for storm water discharges from regulated municipal separate storm sewer systems (MS4s) primarily located in urbanized areas. Operators of MS4s located within a listed area will be designated into the Phase II program by the state. This rule adds the federal Phase II program requirements.

Governmental Entities: Costs to INDOT are estimated at \$22,500. Costs to municipalities and other entities are estimated at \$592,000.

INDOT Costs: INDOT will be subject to regulation as an operator of a municipal separate storm sewer system primarily because of INDOT roadside ditches. INDOT will need to complete a storm water quality management plan. The plan consists of three sections. Each section must be reviewed and certified by a professional engineer, then submitted to IDEM. The engineer will need an estimated 20 weeks to review and certify the three sections of the plan. Costs for the engineer are estimated at \$22,500.

Costs to Municipalities: The rule would require at least 160 municipalities and other entities to produce a storm water quality management plan. Each section of the plan must be reviewed and certified by a professional, then submitted to IDEM. The records associated with the permit would also have to be maintained for two additional years beyond the three year federal record maintenance requirement. Costs per entity are estimated at \$3,700 per five year cycle. Total costs for 160 entities is estimated at \$592,000.

Permit application fees are \$50 per permit. Applying this fee to the number of entities affected, or 160, would generate at least \$8,000. Revenues would be deposited in the Environmental Management Permit Operation Fund. Permits must be renewed after five years, which would generate at least another \$8,000. INDOT might also be assessed a permit fee which could generate additional revenue.

Regulated Entities: Municipalities, other governmental or private entities, and INDOT.

Information Sources: Lori Gates, Storm Water Coordinator, IDEM (317) 233-6725; Tom Duncan, INDOT.